

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2015 - 2016

Department/Agency: Treasury

Question: AET 31

Topic: Changes to negative gearing in the 1980's effect on rental prices

Reference: Hansard page no. 39 - 10 February 2016

Senator: Wong, Penny

Question:

Senator WONG: Can I go back to a comment, I think, that you made, Mr Ray, in the context of my and Senator Ludlam's negative gearing questions. With the changes to negative gearing in the 1980s which are often referenced, are you able to tell us what happened to rental prices in markets outside of Sydney and Perth?

Senator Cormann: We might have to take that on notice. Given that we are going back a fair way in history, we might want to give you a considered and accurate answer.

Senator WONG: Okay.

Answer:

An overview of changes in rents for the period in question (1985 to 1987) in both nominal and real terms is available below:

Table 1: Nominal change in rents

Annualised nominal change (Percentage)	Sydney	Melbourne	Brisbane	Perth	Darwin	Adelaide	Hobart	Canberra	Australia
June-83 to June-85	6.4	9.5	5.0	5.5	3.4	9.9	6.1	13.5	7.5
Sept-85 to June-87	11.5	9.1	4.6	15.8	1.1	6.9	8.6	8.0	9.9
Sept-87 to Sept-89	13.1	7.9	9.7	9.0	3.1	7.3	3.1	4.9	10.2

Source: ABS cat. no. 6401.0

Table 2: Real change in rents

Annualised real change (Percentage)	Sydney	Melbourne	Brisbane	Perth	Darwin	Adelaide	Hobart	Canberra	Australia
June-83 to June-85	1.7	3.6	-0.6	0.0	-1.0	4.2	0.5	7.4	2.1
Sept-85 to June-87	2.3	0.1	-3.3	6.0	-6.5	-1.5	-0.5	-0.2	1.0
Sept-87 to Sept-89	4.6	0.4	2.0	1.3	-2.3	-0.2	-3.3	-1.9	2.4

Source: ABS cat. no. 6401.0